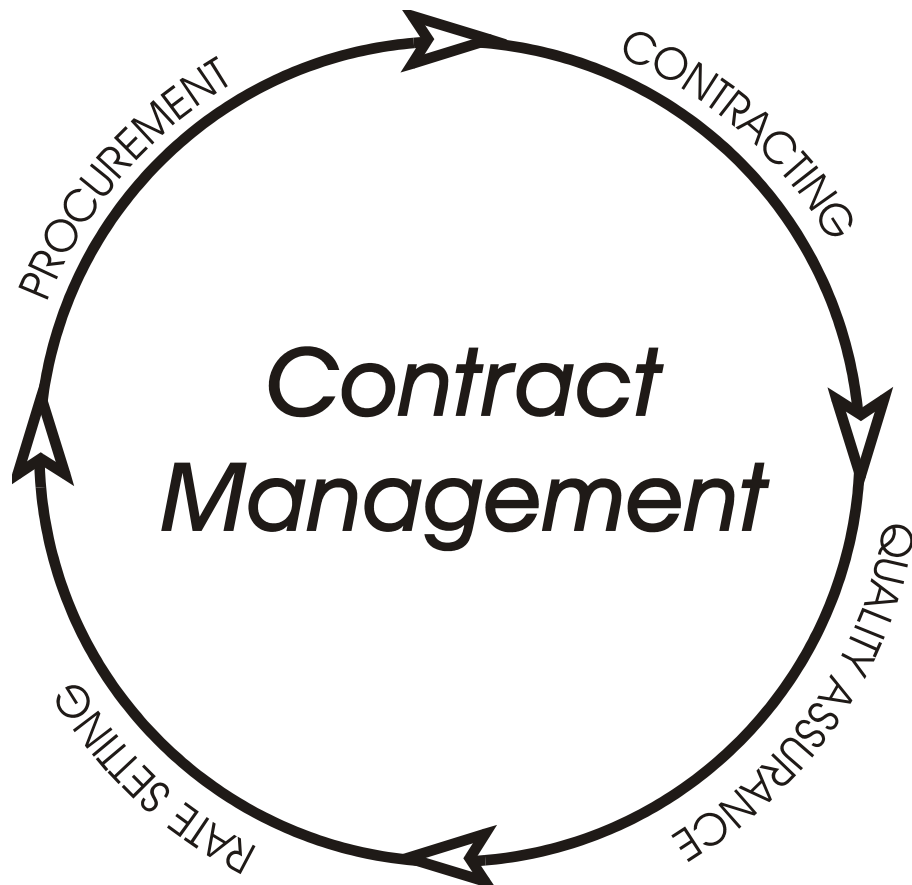


Appendix H

BUREAU OF CONTRACT MONITORING FY 2003



MONITORING PLAN OUTLINE

Introduction

The purpose of this document is to facilitate the development of contract monitoring plans by agency/division personnel who are charged with this responsibility. This document should be used in conjunction with the “Monitoring Handbook for Performance Based Contracts” developed by the Quality Assurance Unit of the Bureau of Contract Management (BCM).

BCM is eager to provide technical assistance for completion of agency monitoring plans. Assistance may be obtained by calling the Bureau of Contract Management at 538-4225 and asking for the Quality Assurance Unit.

- I. The plan will need to describe the resources the Division intends to use in carrying out monitoring activities and how it intends to avoid internal conflicts of interest. It will need to include an organizational chart and some narrative information on whom performs the tasks of developing contracts, evaluating provider compliance and the chain of supervision for these individuals.
- II. The plan will need to account for all of the contracts the Division has with providers. This will include a listing of contracts to be monitored and when the Division plans on doing the monitoring. If the Division does not intend to monitor some contracts, they will need to explain why not.

- III. Each plan will need to address how the Division intends to monitor compliance/ performance in the following areas:
- 1) the provider's service requirements(the scope of work)
 - 2) client wellness
 - 3) provider performance measures (the processes they are required to complete and the outcomes of the services/supports they provide).
 - 4) provider fiscal accountability (verifying the division getting what it paid for ; verifying a provider is properly managing client funds)
 - 5) the federal assurances and the standard terms and conditions contained in the contract
 - 6) additional contractual requirements such as compliance with federally required documentation.
- IV. The plan will need to include the monitoring instruments used to document findings in these six areas.
- V. The plan will need to explain how the Division will implement and conduct corrective actions with providers.
- VI. The plan will need to include information on how it will report its findings to BCM and other interested parties.

SECTION I

AGENCY ORGANIZATION FOR CONTRACT PROCESSING AND CONTRACT MONITORING

(See pgs. 19-22 and appendix A in Monitoring Manual)

A. Organizational Chart (graphical representation)

Limit the chart to individuals and job duties included in the procurement, contract processing, and contract monitoring functions; staff should be represented by job title and lines of supervision.

B. Organizational Description

A brief narrative that includes:

1. A list of individuals currently in positions identified in organizational chart;
2. Job titles / positions
3. Job duties
4. Supervision of contracting staff
5. Supervision of monitoring staff
6. Regional and State Administrative Functions/supervision

C. Conflict of Interest (See pgs. 20-22 in Monitoring Manual)

Include a brief narrative that describes how conflict of interest is avoided in the monitoring of contract compliance. If unable to eliminate potential conflicts of interest, identify these areas where conflicts exist, state the reason(s) why they cannot be resolved, and explain how they will be minimized.

SECTION II

ANNUAL MONITORING SCHEDULE

(See pgs. 63 – 64 and appendix D in Monitoring Manual)

Annual monitoring schedules must be completed and turned in to the Bureau of Contract Management, Quality Assurance Unit, each fiscal year. In addition, changes in the monitoring schedule must be submitted, at least, on a quarterly basis.

Note: BCM has developed a scheduling table for annual monitoring. See appendix D in the Monitoring Handbook.

- A. Annual monitoring schedules must include the following information for **all contracts currently in force** (including all vendor and indirect service/support contracts and contracts the Division does not intend to review this fiscal year *).
1. Provider (program/facility name)
 2. Contract Number
 3. Contractor's Federal tax identification number (also referred to as the provider ID)
 4. Type of contracts (i.e. direct service contract, vendor contract, adult clinical review, governance and oversight review, financial review etc.)
 5. Date(s) of the planned review
 6. Monitoring staff scheduled to complete review

For contracts the Division does not intend to review, questions #5 and #6 should be left blank on the Division's monitoring schedule. **However, for contracts that are not going to be reviewed, a reason must be included in the monitoring schedule section.** BCM will examine the reason. We will be looking at what level of "risk" not reviewing a contract appears to present to the Department. Factors in a BCM review will include, but not limited to, such things as the impact on consumers, or the amount and source of money involved in the contract, etc.

*** In some cases there are legitimate reasons why a particular contract may not need to be reviewed.** The most common reason is because a contractor was not used, or only used a few times. In these cases, the "risk" to the Division for non-compliance is very low or does not exist.

The Division may decide to prioritize the types of contracts it intends to review. For example, any direct service contract may have a higher priority than all vendor contracts. Or, the amount of money paid to a provider may be considered in determining the "risk" to the Division/Department and is one of the factors considered in prioritizing whether a contract is reviewed.

Contracts with minimal use may only need to be reviewed every two or three years, especially if they have been reviewed prior to this year and no significant compliance issues were found.

The Division may decide to limit the scope of the review. For example, the review of vendor contracts may be limited to checking on whether the Division got what it paid for.

B. Quarterly Updates

1. Update the monitoring schedule information (listed above)
2. Addition of contracts to be monitored
3. Cancellation of contracts to be monitored and the reason(s) why.*

SECTION III

MONITORING ACTIVITIES AND MONITORING TOOLS

(See pgs. 23 – 62 and appendices B and C in Monitoring Manual)

Contracted Service Type(s)

Complete the appropriate sections for all contracted types of service, that is, for types of services that involve different monitoring procedures or processes

Monitoring Tools/Instruments

Attach a copy of each tool/instrument used to document findings and identify which program(s) they are used for. If there is no “formal” instrument for monitoring a contract, state in the “Description of Monitoring Strategy and Process” how these types of contracts are evaluated for compliance, how information is retained to support findings or conclusions and who receives information concerning the provider’s compliance with the contract.

A. Program Requirements

(See pgs. 23 – 27 and appendix B in Monitoring Manual)

1. Description of monitoring strategy and process.

Indicate if the monitoring of Program Requirements cover the following areas.

Assessment requirements

Match between the clients served and program services

Treatment and service requirements

Staff requirements

Staff to client ratios

Staff training requirements

Other documentation requirements

Provider qualifications

2. Person(s) responsible for monitoring.

3. Frequency of monitoring

B. Client/Consumer/Customer Wellness

(See pgs. 40-49 in Monitoring Manual)

Program quality is a Division responsibility and client wellness is a major component of program quality. Monitoring should review the contractor's system to prevent abuse, neglect exploitation and maltreatment of individuals in their care. A system review may include such things as whether the provider required licenses (both program and staff) are current; whether the provider has assured their staff understand the DHS provider code of conduct; whether the provider is following policy or other requirements for employee training and demonstrated competency in areas related to client wellness, etc. etc.

Annual Monitoring Activities

- a. Description of monitoring strategy or approach.
- b. Person(s) responsible for monitoring.
- c. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate client wellness is included in the monitoring activity? If so, either reference the source where findings are reported or make sure the appropriate instruments are attached.

Ongoing Monitoring Activities

In many cases, Divisions have a system to provide for an "ongoing" monitoring of client/consumer/customer wellness (i.e. Division workers conducting onsite visits to provider facilities). This is a form of monitoring to assure the provider is abiding by the requirements of their contract (provider code of conduct) that should be included as part of the overall monitoring plan.

- a. Description of monitoring strategy or approach.
- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.

- d. Where might verification (i.e. documentation) supporting “ongoing” monitoring be found (i.e. client case records, SAFE systems).

C. Objective Based Performance Measures
(See pgs. 48 – 62 in Monitoring Manual)

Performance measures include both processes and outcomes. Process objectives address those performance requirements considered most critical to overall program implementation. For example a requirement that a case plan be written for all clients in a program is a process objective.

Outcome objectives are used to evaluate the final result or impact of a program. For example, an outcome may be that 90% of youth in a program will be placed in a less restrictive environment.

1. Performance Measures

- a. Description of monitoring strategy or approach.
- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.
- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring that indicate program performance is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

2. Client Objectives

Client objectives are specific to individual clients and should be included in an individual’s treatment plan. Therefore, Divisions which require contractors to develop client treatment plan must indicate how these objectives are monitored.

- a. Description of monitoring strategy or approach.

- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.
- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, that indicate review of client objectives are included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

3. Customer Satisfaction

- a. Description of Division activities for measuring customer satisfaction.
- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.
- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate customer satisfaction is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

D. Fiscal Accountability

(See pgs. 62 – 69 in Monitoring Manual)

The purpose of a Division completing fiscal monitoring of its contracts is to determine whether or not purchased services were in fact provided (did we get what we paid for?). In addition, some Divisions need to determine whether a provider has properly assisted a client in managing their personal funds (i.e. protective payee accounts, trust accounts, personal allowances, etc.). Finally, some Divisions are required by law to monitor certain areas of how a provider is spending public funds (i.e. HB 102 requirements).

1. Cost of Service Reimbursement Contracts

- a. Description of monitoring strategy or approach.

(Include a description of the process used to review billings prior to payment and the process for verification of service or product delivery after payment has been made).

- b. Person(s) responsible for monitoring.

- c. Frequency of monitoring.

- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate fiscal accountability is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

2. Rate Based Contracts

- a. Description of monitoring strategy or approach.

(Include a description of the process used to review billings prior to payment and the process for verification of service or product delivery after payment has been made).

- b. Person(s) responsible for monitoring.

- c. Frequency of monitoring

- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate fiscal accountability is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

3. Pass Through Funding (cost of service reimbursement)

a. Description of monitoring strategy or approach.

(Include a description of the process used to review billings prior to payment and the process for verification of service or product delivery after payment has been made).

(For the Divisions of Substance Abuse and Mental Health, how are HB 102 requirements or other Federal Requirements being monitored?)

b. Person(s) responsible for monitoring.

c. Frequency of monitoring.

d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate fiscal accountability is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

4. Client Fund Management

a. Description to monitoring strategy or approach to determine if client funds are being properly managed.

b. Person(s) responsible for monitoring

c. Frequency of monitoring.

e. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate fiscal accountability is included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

D. FEDERAL ASSURANCES AND STANDARD TERMS AND CONDITIONS

These are the terms and conditions in the contract that must be included due to federal or state law or rule. Each year contractors must certify they intend to comply (new contracts) or are presently complying with (multi-year contracts) the Federal assurances and the standard terms and conditions of a contract. Each year, at least one of the assurances, terms and/or conditions must be monitored for compliance.

(NOTE: BCM has developed an annual “provider” self certification statement for monitoring these requirements in multi-year contracts and a checklist for monitoring Federal Assurances and standard contract terms. This instrument may be used to monitor compliance in both single and multi-year contracts; See pgs. 69 – 71 and appendix C in Monitoring Manual)

- a. Description of monitoring strategy and process.
- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.
- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate standard terms and federal assurances are included in the monitoring activity? If so, either reference the source where findings are reported or make sure the appropriate instruments are attached.

F. ADDITIONAL REQUIREMENTS

(See pgs. 72 – 73 in Monitoring Manual)

1. What additional monitoring requirements does your agency have? (e.g., federal requirements, grant requirements, state statutes, etc.)
2. For each additional requirement or area of requirements, which your agency must be in compliance with, complete the following information.

- a. Description of monitoring strategy and process.
- b. Person(s) responsible for monitoring.
- c. Frequency of monitoring.
- d. Are there questions included in the monitoring instruments, or sections of instruments, or questions used for monitoring, which indicate other monitoring requirements not previously addressed are included in the monitoring activity? If so, either reference the source where findings are reported and/or make sure the appropriate instruments are attached.

SECTION IV

CORRECTIVE ACTION PROCEDURES

(See pgs. 65 – 70 and appendix E in Monitoring Manual)

Corrective action is focused on removing the deficiencies or gaps between actual service and the standard of expected service. A model for corrective action and corrective action forms are found in the BCM Monitoring Handbook and sample forms for corrective action can be found in Appendix E of the Monitoring Handbook.

1. Describe your agencies Corrective Action procedures.
2. Who is responsible for implementing, providing technical assistance, and follow-through of corrective action procedures?
3. What is the division's/agency's procedure when non-compliance with corrective action occurs?
4. Instruments or forms used for corrective action.
(attach a copy of each instrument/tool/form)

All incidents of corrective action must be reported to the Bureau of Contract Management. The Corrective Action reporting forms developed by BCM (Part I: Identified Performance Deficiencies and Part II: Corrective Action Plan Results in appendix E), must be submitted to BCM.

5. Who will be responsible to assure incidents of corrective action are reported to BCM?

SECTION V

REPORTING REQUIREMENTS

(See pgs. 85 – 88 and appendix F in Monitoring Manual)

1. Describe your agencies PROCESS for reporting the results of contract monitoring activities.

2. Who receives a copy of the final monitoring report following completion of contract reviews?

3. The Bureau of Contract Management requires completion of the “Service Contract Review Summary Report ” for all service contract reviews, and the completion of the “Indirect Service/Vendor Contract Review Summary Report’ for other contract reviews. Who will be responsible for supplying these reports to BCM?